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SOCIAL DEVELOPMENT QUESTIONS: SOCIAL DEVELOPMENT

Status and role of cooperatives in the light of new economic and social trends

Report of the Secretary-General

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* A/47/50.

I. INTRODUCTION

1. In paragraph 4 of its resolution 44/58 of 8 December 1988, the General Assembly requested the Secretary-General, in consultation with Member States and relevant organizations of the United Nations system, to prepare a report on the status and role of cooperatives in the light of new economic and social trends and to submit it, through the Economic and Social Council, to the General Assembly at its forty-seventh session.

2. In pursuance of the General Assembly's request to consult with Member States, the Secretary-General transmitted in July 1991 a comprehensive questionnaire to all Governments. 1/ By the end of January 1992, replies from 28 governmental agencies in 23 countries had been received 2/ as well as 8 replies from non-governmental organizations representative of cooperatives in 6 countries, whom the respective Governments had asked to respond to the Secretary-General's inquiry. 3/ The Secretary-General's questionnaire was transmitted by the International Federation of Agricultural Producers (IFAP) to its members, of which seven replied. 4/ The Executive Secretary of the Committee for the Promotion and Advancement of Cooperatives (COPAC) supplemented the Secretary-General's questionnaire with an inquiry addressed to the COPAC network of national focal points, of which seven responded from five countries. 5/ By these various channels, the Secretary-General had available 48 replies from governmental agencies or national representative organizations of cooperatives in 42 countries.

3. In pursuance both of the General Assembly's request in its resolution 44/58 to consult with relevant organizations of the United Nations system and also of long-standing requests of the Assembly and the Economic and Social Council to collaborate closely with relevant international apex organizations of cooperatives, the Secretary-General availed himself of the possibilities offered by United Nations membership of COPAC 6/ to benefit from a wide-ranging discussion at the Committee's 45th meeting, in February 1991, and at its 46th meeting, in September 1991, of the nature of relevant trends and their impact upon the cooperative sector, and of the means whereby cooperatives might best contribute to economic and social progress and whereby Governments and the intergovernmental community might best help to create a favourable environment for their further development. A first draft of the present report was reviewed comprehensively by COPAC at its 47th meeting, held in March 1992. This collaboration with the six other members of COPAC - the International Cooperative Alliance (ICA), the World Council of Credit Unions (WOCCU), IFAP, the International Federation of Plantation, Agricultural and Allied Workers (IFPAAW), the International Labour Organisation (ILO) and the Food and Agriculture Organization of the United Nations (FAO) - has been of the greatest value given their extensive expertise. The COPAC secretariat, in collaboration with the United Nations, has prepared a global survey of the status and role of cooperatives in the light of new economic and social trends. This is intended, by its comprehensive treatment of the issues reviewed succinctly in the present report, to serve as its substantive complement.

II. RECOMMENDATIONS

4. On the basis of the present report, the following recommendations are made for consideration by the General Assembly:

(a) In view of the broad significance of cooperatives in most societies and their potential for contributing to the solution of major problems, the General Assembly may wish to re-emphasize its support for them, and for those elements of the international community, including both international representative organizations of cooperatives and intergovernmental organizations, engaged in establishing an environment conducive to their development. For this purpose, the General Assembly may wish to consider the steps that might be taken to realize the idea of proclaiming a United Nations International Year of Cooperatives or, alternatively, a United Nations International Decade for Cooperatives, given the substantial support already shown for this idea by some Governments and by the international cooperative movement. In this regard, the Assembly may wish to note that 1995 marks the centenary of the foundation of ICA. The Assembly may wish also to call for observation by the United Nations system of the International Day of Cooperatives already observed by the global cooperative movement under the aegis of ICA; 7/

(b) Given that Governments have an important role in establishing and maintaining an environment conducive to cooperatives, and that recommendation No. 127 concerning the role of cooperatives in the economic and social development of developing countries, adopted by the General Conference of ILO in June 1966, constitutes a comprehensive set of policy recommendations and has been taken note of already by the Economic and Social Council in its resolution 1491 (XLVIII), the General Assembly might wish to re-emphasize its continuing relevance for the formulation of governmental policy concerning cooperatives, not only in the countries of Africa, Asia and Latin America, but also in those of Central and Eastern Europe and the Commonwealth of Independent States, and to urge all Governments to make renewed efforts to implement each of its measures and provisions, particularly in the context of General Assembly resolution 46/166 of 19 December 1991 on entrepreneurship;

(c) Given that cooperatives are of considerable economic importance in many Member States, that regional and interregional trade between them is growing significantly, that they contribute to the successful achievement of the objectives of structural adjustment while ameliorating the severity of the impact of such changes, and that they are able to play a significant role in the achievement of an ecologically rational and sustainable form of development, the General Assembly might wish to consider how best to ensure that it is able to give adequate consideration to the economic and environmental significance of cooperatives, in addition to their social significance;

(d) Because of the importance in many economies of revitalizing agriculture and stimulating comprehensive rural development, the General Assembly may wish to recommend to Member States that they should take all appropriate measures, in collaboration with IFAP and other relevant international organizations, to promote and strengthen independent representative organizations of agricultural producers, including cooperators; to encourage their full participation in all decision-making forums related to agriculture; to support regional initiatives undertaken by farmers' organizations; and to encourage more effective partnership between farmers and agricultural researchers;

(e) Given that socially appropriate and ecologically sustainable rural development is of the greatest importance to the solution of numerous economic, social, demographic and environmental problems, the General Assembly may wish to invite Member States, with the support of relevant components of the United Nations system, to take priority action to implement the Plan of Action for People's Participation in Rural Development adopted by the FAO Conference at its twenty-sixth session in 1991;

(f) The General Assembly may wish to draw the attention of Member States undergoing significant structural adjustment to the benefits, in terms of mobilizing local savings and financing entrepreneurial efforts, of promoting and supporting savings and credit cooperatives, and to recommend that they avail themselves of the help of WOCCU and other relevant international organizations in establishing them and in ensuring their efficiency and stability;

(g) In the context of the implementation of the Nairobi Forward-looking Strategies for the Advancement of Women to the Year 2000 and of preparations for the Fourth World Conference on Women: Action for Equality, Development and Peace, to be held in 1995, the General Assembly may wish to urge Member States to give full attention to cooperatives as a means to advance gender equality;

(h) In view of the increasing scope of the work of COPAC, the General Assembly may wish, as the Economic and Social Council has done already in its resolution 1668 (LII), to urge United Nations specialized agencies that have a substantial interest in cooperatives, in particular the World Bank, the International Fund for Agricultural Development (IFAD) and the United Nations Industrial Development Organization (UNIDO), as well as other concerned intergovernmental organizations and international cooperative organizations not yet members, to take up early membership in COPAC and to ensure its effectiveness by their contribution to it of appropriate resources; 6/

(i) The General Assembly may wish to indicate to the Secretary-General the priorities that he should attach, during the programme budget period 1994-1995 and in respect to the preparation of the medium-term plan for 1996-2001, to the work of the United Nations in respect to monitoring the status and role of cooperatives in changing economic and social conditions;

policy analysis in respect to cooperatives; consideration of cooperatives in the formulation, monitoring and execution of international strategies, plans and guidelines; and operational activities to promote and support cooperatives.

III. SITUATION IN WESTERN EUROPE, NORTH AMERICA, AUSTRALIA, NEW ZEALAND AND JAPAN

5. These economies, which have been fully acknowledged to be "mixed" in that there exists a substantial State partnership with the private sector, are "mixed" also in that cooperatives constitute a most significant element of the private sector and hence of national and regional economies. This can be illustrated by reference to the share of the market occupied by cooperatives in many areas of the economy during 1989-1990. Cooperatives set up by independent farmers for purchasing inputs, obtaining services and credit and marketing produce are of great importance. For example, more than half of the European agricultural product is harvested, processed or sold through cooperative marketing systems. Certain market shares are much higher, those for dairy products varying between 60 and 100 per cent. In the Netherlands, 95 per cent of flowers, 82 per cent of vegetables and 75 per cent of fruit produced are marketed by cooperatives. In Norway, cooperatives are responsible for 73 per cent of timber production. In Japan, almost all farm households are members of agricultural cooperatives. In the United States of America, over 40 per cent of exports of nuts and nut products, 32 per cent of fruit and fruit products, 25 per cent of cotton and nearly 15 per cent of grains and feeds are handled by cooperatives, responsible for nearly 12 per cent of all exports.

6. Large shares of retail markets (33 per cent in Denmark, 25 per cent in Norway) are occupied by consumer cooperatives. In Belgium, 20 per cent of the population is supplied by cooperative pharmacies. In Sweden, petrol cooperatives supply 18 per cent of the market, 17 per cent of housing is provided by cooperatives and the cooperative Folksam Group insures 45 per cent of households in the householder's comprehensive insurance field. Within the financial sector, cooperatives enjoy a significant market share: that of cooperative banks within the European Community (EC) is 17 per cent. Credit unions play a significant role: at the end of 1990, individuals who were members of member organizations of WOCCU made up between 35 and 45 per cent of the adult population in Australia, Canada, Ireland and the United States. In the Province of Quebec, in Canada, the percentage was more than 60. In the United States alone there were 55.7 million members, US$ 181 billion in savings, $129 billion in loans, with assets of $200 billion. The average annual rate of growth between 1985 and 1990 was 5.8 per cent for members, 12.0 per cent for savings, 13.3 per cent for loans and 12.3 per cent for assets.

7. The major role of cooperatives in the market economy is recognized by most Governments. For example, the United States Department of Agriculture informed the Secretary-General that, in a 1987 report commissioned from it by the Senate Agricultural Appropriations Subcommittee, it had stated that "cooperatives remain the single most effective way farmers can improve their economic circumstances. In cooperatives farmers are dealing collectively with their problems and seeking solutions through organizations they create, own, control and operate on their own behalf. This is the fundamental meaning of cooperation and the essence of the American economic spirit."

8. Cooperatives in many countries and sectors are proving to be entirely capable of adjusting to pervasive shifts in economic organization. Liberalization policies and increasing competition have caused an accelerating process of consolidation, diversification and specialization of private non-cooperative enterprises. This has affected some cooperatives adversely, but at the same time has made them even more relevant to the survival strategies of many individuals. Withdrawal of public agencies from certain activities and growing unemployment have stimulated the appearance of successful new categories of cooperative: for example, those providing child care. In EC particularly, from the mid-1970s to the mid-1980s, many worker or production cooperatives were formed, mainly as a means to avoid unemployment. Large industrial groups have set up workers' cooperatives to safeguard production from a branch experiencing difficulties or to avoid the social damage of closure.

9. Cooperatives have responded by their own consolidation and diversification. They have achieved considerable vertical integration in agriculture, established financial support conglomerates, and expanded international cooperatives within Europe, and between it, North America and Japan. Amalgamations have linked not only cooperatives in different countries, but those in one country with non-cooperative enterprises in another: for example, between the Basque cooperative FAGOR, a member of the Mondragon group, and the French Thompson group. The new entity is likely to occupy 10 per cent of the European market for domestic electric appliances.

IV. SITUATION IN CENTRAL AND EASTERN EUROPE AND THE COMMONWEALTH OF INDEPENDENT STATES

10. Liberalization and privatization policies designed to achieve full transformation to a market-determined economic system were initially hostile to all forms of cooperative endeavour, identified very closely by the public and Governments alike with previous regimes. 8/ For these reasons, cooperatives have faced complex problems. Recently, a climate more favourable to development of true cooperatives has been established in some countries. A very rich experience has been accumulated of dealing with circumstances hitherto never experienced by any society, nor any cooperative movement. To supplement the very strenuous activities of cooperatives themselves, a

comprehensive (although still insufficiently coordinated) international programme is transferring knowledge and experience.

11. This progress reflects realization by Governments that economic transformation is by no means easy. They are better aware of the numerous problems involved in such unprecedented change, and that its negative effects upon living standards require urgent attention. The public has realized that the expected fruits of privatization will not be quick to appear, and that cooperatives are able to play an important role in absorbing unemployment and providing goods and services. Entrepreneurs are realizing that the cooperative mode is by no means antagonistic to success. They and officials are now more familiar with the real role of cooperatives in existing market-determined societies. In agriculture there is better understanding of the strategic importance of cooperatives set up by independent farmers to supply inputs and to market outputs, as distinct from the inefficient agricultural production cooperatives of the previous economic system. Particularly in the Commonwealth of Independent States, cooperatives have been among the first enterprises to act on the basis of market relations, thereby leading the way in the revitalization of local, regional and ultimately national economies. Socio-psychological benefits are accruing to an increasing number of citizens unused to an active role in any association but gaining experience through their membership in true cooperatives.

12. At present, the situation is far from static, with governmental positions shifting along a continuum ranging from lingering support for long-established pseudo-cooperative structures through uncertainty to support for newly established true cooperatives. However, even where Governments have at least partly reversed their previously cautious position, practical problems remain severe and complex. A major problem has been the establishment of an appropriate legislative environment in respect to land and other property rights. Several steps have been found necessary in order to overcome severe difficulties in putting into effect legislation once adopted. For example, in Czechoslovakia in November 1991 Parliament adopted a commercial law containing a section on cooperatives, and replacing laws adopted in May 1990. However, application of the law was difficult because of the special nature of the previous status of cooperatives and the complexity of regularizing their position. Hence, in December 1991, Parliament adopted the Law Regulating Property Relations and the Settlement of Property Rights in Cooperative Societies. By this means, legislation has become virtually the same as that in Western Europe. Nevertheless, numerous practical difficulties remain concerning execution of the transformation now permitted by legislation here and in other countries.

13. A radical restructuring of the financial marketplace is taking place. Most countries are seeking large amounts of foreign capital, yet much capital can be mobilized domestically if appropriate vehicles are established. Elsewhere, it has been widely demonstrated that credit unions can play an important role in mobilizing domestic savings, instilling the value of personal thrift, and reinvesting such savings in local communities through

individual provident and productive loans. Consequently, with an appropriate legal and governmental policy framework, credit unions may be able to contribute significantly to solution of financial problems. International assistance is available: during the past three years, WOCCU has been able to respond to requests for help by utilizing the diverse resources available through the international credit union movement. Assistance strategies, defined in collaboration with local representatives, are most advanced in Poland, Hungary, the Russian Federation and Ukraine. A workshop on Credit Union Development in Central and Eastern Europe was held in February 1992 by WOCCU and ICA, in collaboration with ILO.

V. SITUATION IN AFRICA, ASIA (EXCEPT AUSTRALIA, NEW ZEALAND AND JAPAN) AND LATIN AMERICA

14. The impact on cooperatives of economic changes has been varied but by no means always negative. Certain types of cooperative have found that the new situation has presented them with opportunities that they were better able to realize than other types of private enterprise. In Egypt, where agricultural cooperatives were responsible for all rice and cotton exports and half of exports of potatoes and horticultural products, the Central Agricultural Cooperative Union considered that structural adjustment would improve efficiency and competitiveness. Cooperatives have benefited particularly from the withdrawal of public agencies from certain functions. Those established spontaneously without governmental involvement have been best able to adapt to new circumstances and to seize new opportunities. For example, in Colombia producer cooperatives, which have expanded vertically to establish their own exporting company, now account for 50 per cent of the leading export commodity, coffee. The early 1980s had been marked by banking and financial crises, but credit unions and banking cooperatives had emerged unaffected and with an enhanced credibility. Persons made redundant from State enterprises established labour contracting cooperatives, and then provided technical services to the enterprises that had formerly employed them. Labour contracting cooperatives now maintain most of the national road system, formerly a public sector responsibility, in successful partnership with the Ministry of Public Works and Transport.

15. There is evidence of very varied and innovative cooperative activities in many countries, from solar energy cooperatives in Tuvalu to separate cooperatives of dentists, security guards and computer trainers in Singapore. The secretariat of the Caribbean Community (CARICOM) reports that cooperatives have tremendous potential in the Caribbean, particularly in the context of structural adjustment measures. Cooperatives, including credit unions, are well placed to deal with the social effects of adjustment on the vulnerable groups from which they draw most of their most members. Well-managed credit union facilities for small businesses can stimulate self-employment and job creation. Human resources can be effectively harnessed through the cooperative movement in a region in which their membership is over 1 million

in an overall population of about 5.6 million. In many countries of Africa, Asia and Latin America, it was considered that cooperatives contributed effectively to achievement of a more sustainable relationship between human society and its natural environment. It was widely perceived that cooperatives contributed significantly - as "schools for democracy" - to democratization.

16. In many countries, credit union growth has continued to be very impressive. At the end of 1990, membership in 75 countries stood at 11.7 million, with individual savings of $6,657 million. This represented average annual growth in the period 1985-1990 in Africa of 8.2 per cent in members, 13.4 per cent in savings; in Asia of 38.8 per cent in members and 85.9 per cent in savings; in Latin America of 14.0 per cent in members and 8.9 per cent in savings; and in the Caribbean of 9.7 per cent in members and 18.7 per cent in savings. Credit union growth rates in loans, reserves and assets were similar. Nevertheless, in many countries cooperators feel that Governments maintain an unnecessarily paternalistic stance in respect to credit unions.

17. While among the less advantaged strata, there are numerous forms of "precooperative" entities (enterprises operating on cooperative principles but not meeting requirements for formal registration), it has been difficult to transform them into full and effective cooperatives because their members lacked adequate education and organizational, accounting and technical experience. This was considered a major problem, for example, by the Organization of Brazilian Cooperatives, which pointed to the virtual absence of cooperatives in the least developed regions of the country, where it might have been thought the population would benefit considerably from their existence, and conversely to their very substantial development in more prosperous areas. The task remains of understanding more perfectly those circumstances that favour and those that impede further successful cooperative expansion. An important difference exists between a spontaneous expression of interest in cooperation arising from everyday conditions on the one hand, and on the other hand imposed structures, not entirely compatible with local behavioural norms and not necessarily serving the immediate economic interests of individuals and communities.

18. Cooperatives established by governmental initiative and remaining closely tied to State monopolies in production and export, have lacked the vitality and flexibility needed to adjust to new circumstances. In a number of countries that have recently begun a process of transformation from non-market forms of economic management, cooperatives formerly integrated within the State sector are being privatized or, given a lack of interest in them by more dynamic elements of the private sector, merely abandoned. However, in many market-oriented countries in Africa and Asia, pseudo-cooperatives continue to exist: created by Governments from the top down they form part of an essentially parastatal and monopolistic construction, lacking capacity for entrepreneurial expansion within the precooperative and informal sector or in partnership with other private enterprises. Hence, it has not been possible

to create local multipliers and thereby contribute to a balanced regional and national economic transformation. Indeed, one of the local causes of the poor performance of many of these economies may have been the fact that responsibility for production and export had been allocated to pseudo-cooperatives, which, being artificially created, lacked precisely those entrepreneurial capabilities inherent in true cooperatives, that is, in self-managed entities created to facilitate the achievement by members of their income-generating and profit-seeking goals. Moreover, by allocating monopoly status to pseudo-cooperatives, Governments are likely to have precluded entrepreneurial development in the non-cooperative private sector.

19. IFAD has arrived at very specific conclusions in this regard. Genuine, cost-effective and well-performing cooperative societies offer ideal and sustainable institutional structures to improve the delivery of project-provided goods and services to target groups in poverty alleviation projects, but only if project design and implementation does not affect or distort cooperative principles, and appropriate external financial and technical assistance can contribute to the enhancement and strengthening of the self-help, self-financing and self-sustaining capacity of cooperatives. The experience of IFAD has been that cooperatives were often undermined by external agents and political intervention, which led to weak management, ineffective control, lack of regular audits, low performance and collapse. State controlled cooperative structures not operating on cooperative principles frequently failed, particularly when they had to begin to operate within a more liberal economic context. Indigenous informal groupings, such as rotating savings and credit associations, had shown remarkable successes, owing to their simple and unconventional structures and operations with a limited and homogeneous membership. However, when such groups had been established expressly to deliver project-provided services, which required a minimum of formal accountability, it had been found that the advantages of such indigenous groups rapidly vanished because dependence on external support continuously increased and made sustainability questionable. Autonomous, genuine and cost-effective cooperatives, particularly credit unions, showed promising performance and growth in a number of countries. In contrast, production cooperatives, unlike the thrift and credit cooperative societies, had been found to lack the necessary national, regional and global professional support structures, which, apart from the normal assistance in the field of planning, management, control and auditing, are particularly important in the establishment of primary cooperative societies as are the required procurement and marketing linkages.

20. Thus, one of the major problems of some countries in Latin America and many in Africa and Asia is how to dismantle false structures and clear the way for the spontaneous appearance of true cooperatives. A number of Governments have already indicated that some de-linking from the public sector would be appropriate to new economic circumstances. For example, in Côte d'Ivoire, true cooperatives are perceived more and more as important economic partners for private enterprises expanding in response to the process of disengagement of the State from certain areas of production.

21. In China, programmes designed to readjust economic structure and enhance economic efficiency have opened up opportunities for cooperatives. Agricultural cooperatives were replaced a decade ago by the "family farm commitment" arrangement, which constituted a significant degree of privatization. However, within the past five years new forms of spontaneous cooperative-type organizations (new economic associations) have appeared in order to enable family farmers to pool resources, launch new enterprises and hire additional labour. Housing cooperatives, and particularly credit cooperatives in both rural and urban areas, have expanded.

VI. ACTIVITIES OF COOPERATIVE ORGANIZATIONS

22. In almost every country there exist regional, sectoral and national representative cooperative organizations whose function is to facilitate contact between individual cooperatives, provide them with organizational and technological support and represent them vis-à-vis other sections of society, notably the Government. An increasing number of such cooperative organizations, particularly in Africa, Asia and Latin America, have recently established national coordinating institutions; improved communication between national organizations and their member cooperatives; established data collection and research institutions; improved and extended member education and staff training; and strengthened relations with foreign and international cooperative organizations. Constraints on improvement remain numerous in those regions and in Central and Eastern Europe and in the Commonwealth of Independent States. They include the absence of appropriate legislation; the ineffectiveness of national organizations - and hence inadequate representation in governmental bodies and in the legislature; the diversity of governmental policies, rendering it difficult to identify desirable points of contact or establish effective channels of communication; lack of finance; and a lack of qualified personnel.

23. National representative organizations seek mutual support and solidarity by forming international associations. Among these a number constitute major international actors operating in full partnership with intergovernmental organizations. Their significance can be illustrated by reference to the activities of the three organizations already members of COPAC. ICA, the largest international cooperative organization, is an international association of cooperatives from all sectors of activity. Its membership is composed of some 200 national and international cooperative organizations from 80 countries, which in turn represent more than 740,000 local cooperative societies with approximately 700 million individual members. Its activities are concentrated in five main areas: to promote and defend values and principles shared by the membership; to stimulate interchange of ideas, information and practical collaboration among member organizations; to spread information on the structure and trends of the international cooperative movements; to act as a catalyst for the development of cooperative structures, especially in developing countries; and to be a spokesman of the cooperative movement before the United Nations system and, when requested by members,

national Governments. In addition to its development work in Africa, Asia and Latin America, ICA supports the development of cooperatives in the previously centrally planned countries. Currently it identifies gender questions, human resource development and the environment as priority areas. In 1990, ICA called upon all members to join in efforts to stop the degradation of the human and natural environment. During 1992, it coordinated a cooperative delegation to the United Nations Conference on Environment and Development and organized in Indonesia a conference of ministers responsible for cooperative development in Asia and the Pacific.

24. IFAP groups together some 80 national representative organizations of farmers, including cooperative members, in 55 countries, of which 27 are in Africa, Asia and Latin America. It was established to secure the fullest cooperation between organizations of agricultural primary producers, including cooperators, in meeting the optimum nutritional and consumption requirements of society and in improving the economic and social status of all who live by and on the land. It acts as a forum in which leaders of national farmers organizations can meet to discover mutual interests and coordinate action; keeps members informed; speaks on behalf of the world's farmers; and promotes the creation and strengthening of independent representative organizations of agricultural producers throughout the world. In its recent activities, IFAP has concentrated on farmers' commitment to sustainable agricultural development and their role in the management and conservation of national resources; improving mutual links between farmers and agricultural research programmes; supporting regional cooperation among farmers' organizations; and, through its Standing Committee for Agricultural Cooperatives, considering how best farmer cooperatives may seize opportunities to take over former State functions and services as structural adjustment brings about greater market orientation, reduction in price support measures and less government intervention.

25. WOCCU is an international organization of credit unions and similar cooperative financial institutions, and the largest organization of a single type of cooperative, representing over 86 million persons in more than 41,000 credit unions in over 80 countries. It is concerned with assisting its members to organize, expand and improve and to establish credit unions and related institutions as effective instruments for the economic and social development of people. It serves as a forum for the exchange of ideas and information, provides services for members, promotes membership development and growth, represents members' interests and extends cooperative financial services to areas where people want and need them. WOCCU recently mounted a major initiative to ensure high standards of credit union reliability, safety and soundness. Model legislation, regulations, operating policies, by-laws and audit guides are being developed. Training programmes and technical assistance missions focus on implementing these practices. WOCCU seeks to persuade Governments that too much intervention might be counter-productive. It emphasizes the need for credit unions to define themselves as business enterprises, to adopt market rates of interest and to provide an array of services for an increasingly competitive environment. Recognizing the barriers women still face in gaining full access to the benefits of credit unions, WOCCU created in October 1991 a Women in Development Secretariat.

26. Within EC, regional associations have been established in almost all sectors of cooperative activity. In order to defend common interests and assure their representation at the European level, the Coordinating Committee of Cooperative Associations of the Community was set up jointly by sectoral cooperative groupings such as the General Committee for Agricultural Cooperatives in EC and the Association of Cooperative Banks of the European Communities. In November 1990, nine cooperative consulting companies, banks and other organizations from seven countries in Western Europe formed the European Cooperatives for Agricultural and Rural Development with the main purpose of helping in the reconstruction of agriculture in Eastern Europe. In 1989, the Congress of the Organization of American Cooperatives considered how to improve commercial relations between cooperatives in the Americas and elsewhere.

27. In addition to frequent formal and informal collaboration, there exists a number of special institutional and procedural arrangements for international cooperation. COPAC is the only forum where the leading global representative organizations of cooperatives and the principal intergovernmental bodies engage jointly in operational consultation and the exchange of information and views. It maintains relations with many other international and national organizations. Its secretariat publishes an information bulletin and a series of country information notes, carries out research and organizes occasional symposia and seminars. Certain organizations have special institutional arrangements with intergovernmental organizations whereby they may participate actively in policy discussion. Since 1969, the Economic and Social Council has specifically called for close collaboration between the United Nations system and ICA, 7/ which also has a special status within ILO enabling it to participate fully in its activities together with the tripartite structure: employees, workers and Governments. ICA, IFAP and WOCCU work closely with all relevant intergovernmental agencies.

VII. ACTIVITIES OF GOVERNMENTS

28. The relationship between cooperatives and Governments is a delicate one. Recommendation Number 127 of the General Conference of ILO, resolutions of the General Assembly and the Economic and Social Council and recommendations made at the Seminar on the Role of Government in Promoting the Cooperative Movement in Developing Countries, held at Moscow in May 1987, emphasize that the cooperative movement is an independent area of societal organization within which citizens join together in pursuit of their own objectives and in full exercise of their freedom of association within the law. Governments should not seek to exercise controls different from those regulating the activities of any other types of enterprise.

29. On the other hand, Governments formulate a policy with respect to cooperatives, as they do in respect to all components of society, whether this is one of intervention or not, and whether it involves direct or indirect measures, or is stated explicitly or not. Ideally, they should seek to

establish an environment at least as favourable to cooperatives as to other private profit-seeking enterprises, one not in any way hostile to them merely because cooperatives are member-owned and self-managed forms of private enterprise. Where cooperatives are perceived to be particularly valuable in helping to resolve societal problems Governments may offer special forms of support as an investment in development and as a service to citizens and taxpayers, but such measures should fully respect the independent status of cooperatives.

30. Where governmental intervention has been excessive, and particularly where cooperatives have been integrated de facto in the state or parastatal sector, their entrepreneurial capacity and operating efficiency has suffered. This "pseudo-cooperative" sector has been unable to respond to changing societal conditions, with serious implications for overall development. For example, the Turkish Cooperative Association pointed out that insufficient autonomy had constrained freedom to achieve vertical and horizontal integration and hence competitiveness. The Central Agricultural Cooperative Union in Egypt noted that it was now fully realized that agricultural development could not be achieved by means of governmental programmes alone, and that the involvement of cooperatives was indispensable.

31. Many Governments, particularly in Africa and Asia, perceived that intervention was still necessary because most members had limited educational status and technical and managerial experience. However, an increasing number, while still providing training and financial and material support, had full confidence in the capacity of the cooperative sector to achieve full autonomy soon. Elsewhere, its negative impact has remained serious even where intervention has ceased. For example, the Organization of Brazilian Cooperatives noted that, although the national constitution adopted in 1988 emphasized the autonomy of cooperatives and had set limits on governmental intervention, both cooperators and cooperative managers had become so used to widespread dependence upon government initiatives, directives and support that they had been unable to escape from attitudes of dependency.

32. Cooperatives are active in many sectors, and therefore are of interest to a number of public agencies, but coordination between them is rarely effective. Yet to the extent that cooperatives increasingly associate together and expand vertical and horizontal relationships, Governments increasingly require a single strategy vis-à-vis the entire movement to ensure coherence between the set of relevant sectoral and regional policy positions. This requires difficult choices concerning assignment of responsibility and establishment of coordinating mechanisms, as well as overcoming practical difficulties in making the chosen arrangements operate effectively.

VIII. ACTIVITIES OF THE INTERNATIONAL COMMUNITY

33. The General Assembly and the Economic and Social Council have been concerned with the global situation of the cooperative movement, and with the contribution of cooperatives to the achievement of the objectives of the United Nations, since 1951. Their requests and those of the governing bodies of the specialized agencies have set in motion substantial international activities, in close collaboration with the principal international organizations of the cooperative movement. 9/

34. The Centre for Social Development and Humanitarian Affairs of the United Nations Secretariat, and its organizational predecessors, has been responsible for preparing the series of reports of the Secretary-General, more recently in collaboration with other members of COPAC, in which it represents the United Nations. It engages in policy-oriented research concerning the relevance of cooperatives to achievement of social policy objectives, particularly as set out in the Guiding Principles for Developmental Social Welfare Policies and Programmes in the Near Future as well as in other international strategies, plans and guidelines, in respect to the execution of which it acts as focal point within the United Nations system. As part of its programme in crime prevention and criminal justice, the Centre has encouraged the establishment of cooperatives in order to rescue street children from exposure to patterns of deviancy and delinquency in many countries. In collaboration with COPAC, studies have been prepared of cooperatives of and for young persons, disabled persons and aged persons.

35. The United Nations Centre for Human Settlements (UNCHS) (Habitat) supports low-cost and self-help housing cooperatives pursuant to the Global Strategy for Shelter to the Year 2000, adopted by the General Assembly in its resolution 43/181 of 20 December 1988, whose fundamental tenet is that Governments should facilitate the activation and harnessing of the full potentials of all elements of society involved in shelter production. Current research deals with cooperative savings and credit societies, housing delivery systems for the poorest groups using cooperative forms of participation, and promotion of low-income rental housing cooperatives. In collaboration with the Danish International Development Agency (DANIDA), training programmes assist local governments and communities to establish procedures for the provision of housing, facilities and services through cooperative forms of participation. Its technical cooperation programmes promote housing cooperatives, credit cooperatives and cooperative enterprises for construction and building materials production.

36. The International Research and Training Institute for the Advancement of Women (INSTRAW) convened an Interregional Consultative Meeting on Women in Cooperatives: Implementations for Development in collaboration with its focal point in Bulgaria, the Bulgarian Academy of Sciences, at Plovdiv, Bulgaria, in June 1988. During 1992-1993 it will launch a research programme in order to evaluate the effect of the inclusion (or exclusion) of women in credit programmes including cooperatives.

37. The United Nations Development Programme (UNDP) is currently funding 60 projects, which include support to agricultural, rural, industrial, housing, production, credit, health, consumer and marketing cooperatives. Projects are executed by ILO, FAO, the World Health Organization (WHO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), UNCHS, the UNDP Office for Project Services, as well as by the United Nations Volunteers, the Asian Development Bank and through national agencies, often in close collaboration with international cooperative organizations. TechnicaL cooperation among developing countries programming among cooperatives in Asia and the Pacific has been promoted by a bilateral consultation meetings hosted by ICA at New Delhi in May 1991, with 10 countries participating. Some 59 technical cooperation among developing countries agreements were reached in the following subsectors: consumer cooperatives; trade; marketing joint ventures; agricultural cooperative management and policy development; agricultural production; textile handlooms; dairy livestock and poultry development; agriculture cooperatives, including marketing, training, rural cooperative credit, banking and financing: and fisheries, housing, labour and handicraft cooperatives. The United Nations Sudano-Sahelian Office supports formation of cooperatives as being capable of ensuring that its activities are relevant to the priorities identified by the population concerned; will be continued beyond the end of the project period; and will benefit the people of the project area directly. The United Nations Development Fund for Women provides financial and technical support to the cooperative activities of women.

38. The United Nations Population Fund (UNFPA) provides funds for population education programmes implemented with the help of cooperatives. It considers that by improving living standards for their members and by facilitating exchange of information among members, cooperatives can help reduce both mortality and fertility, and also migration from rural areas. The World Food Programme (WFP) supports cooperative self-help as part of its anti-poverty oriented development activities. Together with COPAC and the Centre for Social Development and Humanitarian Affairs, and with Norwegian financial assistance, it organized in 1988 an International Symposium on Food Aid and Cooperatives, held at Vienna.

39. The Economic Commission for Africa (ECA) supports cooperatives within its Integrated Rural Development programme operated by the Joint ECA/FAO Agriculture Division. Since 1981, the Agriculture and Rural Development Division of the Economic and Social Commission for Asia and the Pacific (ESCAP) has had a close dialogue with member countries, particularly on agriculture cooperatives, and has participated in a series of seminar/workshops on the cooperative movement organized by agencies such as FAO and ICA, with whom it has collaborated closely. The Economic Commission for Latin America and the Caribbean (ECLAC) has been active substantially in the past, but has no current activities.

40. ILO has since its establishment in 1919 recognized the importance of the cooperative movement, and the special relationship that exists between it and the movement is recognized in article 12 of its Constitution. 10/ It has organized many expert meetings and conferences on cooperatives that offered tripartite delegates from member States (i.e., government representatives and employers' and workers' delegates) opportunities to discuss and exchange experiences. This work culminated in the adoption by its General Conference, in 1966, of recommendation No. 127 concerning the role of cooperatives in the economic and social development of the developing countries, designed to provide Governments of developing countries with guidelines for effective cooperative development. The ILO cooperative service, recently incorporated in a new Enterprise and Cooperative Development Department, is engaged in collecting information and analysed trends, as well as in a wide-ranging programme of technical assistance, which began in 1937. As its major instrument for cooperative training, ILO began in 1978 to develop its Materials and Techniques for Cooperative Managerial Training Programmes (MATCOM), which at present operate in about 60 countries. Responding to the negative impact of structural adjustment policies, ILO undertakes such projects as Appui Coopératif aux Activités de Développement Assistées par le Programme Alimentaire Mondial en Zone Soudano-sahélienne (ACOPAM).

41. FAO has been engaged for many years in projects and programmes that foster the establishment and strengthening of agricultural cooperatives and other self-help groups of farmers, and fishery and forestry workers. Attention to the role of cooperatives received increased impetus by the adoption of a Programme of Action by the World Conference on Agrarian Reform and Rural Development in 1979, and more recently by the FAO Conference at its twenty-sixth session in 1991 at which it adopted a Plan of Action for People's Participation in Rural Development. Both documents give prominence to the role in combating rural poverty of local community and membership-based self-help organizations whose aims are the pursuit of their members' social and economic objectives. FAO now supports all people's organizations that are voluntary, autonomous and democratically controlled institutions, including cooperatives. It is engaged in a programme on Appropriate Management Systems for Small Farmers Agricultural Cooperatives, which promotes self-reliant cooperatives with voluntary membership. It is active in supporting Governments that are engaged in restructuring national cooperative movements from State controlled to membership-oriented institutions.

42. UNESCO has organized seminars and published reports and studies on means to facilitate people's participation in development, thereby promoting objectives, methods and conditions of development similar to those of cooperatives. Good use of travel grants within the UNESCO Workers and Cooperatives Education Programme has been made in the past by cooperative leaders. In January 1992, the WHO Executive Board fully supported the involvement of cooperatives in health promotion. WHO advocates community participation, facilitated by cooperatives, as a tool for providing primary health care, including water supply and basic sanitation, and recognizes the contribution of cooperatives to healthy housing conditions. The World

Bank/International Finance Corporation (IFC) provides the funds for investments needed to support cooperatives. A 1986 study showed that about half of the World Bank's agricultural operations had involved cooperatives and cooperative-type associations. Funds are being increasingly set aside to strengthen cooperatives, often in close collaboration with FAO and ILO. In 1990, it convened a Seminar on Donor Support for the Promotion of Rural Cooperatives in Developing Countries.

43. IFAD recognizes that formal cooperatives, with their philosophy of self-help, self-responsibility and self-determination and their democratic structure, are ideal means to achieve its goals. It focuses increasingly on genuine and sound thrift and credit cooperative societies as the most desirable partners in assisting the rural poor, designing its financial and technical assistance for cooperative institutions so as not to distort their self-help character, but to strengthen their capacity for indigenous mobilization of human and financial resources and sustainable self-help efforts at all levels.

44. UNIDO promotes industrial cooperatives as part of its development of small-scale industries, either through technical cooperation or through meetings, seminars and workshops, some held in collaboration with ICA and ILO. Within the framework of its Small and Medium Industry Programme, UNIDO assists industrial cooperatives in such mutually supportive areas as entrepreneurship development, privatization, rural industrial development, institutional development for industrial research and industrial information, quality control standardization and metrology, and industrial subcontracting. In June 1990, UNIDO held an Interregional Symposium on the Role of the Industrial Cooperative Movement in Economic and Industrial Development at Moscow. The Symposium provided a forum for the discussion of the role of cooperatives in introducing greater flexibility and responsiveness to national economic structures, as well as improved industrial efficiency. The Symposium invited UNIDO to continue diagnostic studies of problems facing the development of industrial cooperatives and small-scale enterprises in different countries as well as to hold similar symposia on a regular basis.

45. Some intergovernmental organizations outside the United Nations system have programmes in support of cooperatives: EC; the Inter-American, Asian and African Development Banks; the CARICOM Secretariat and the Entente Council. While much intergovernmental collaboration takes place within permanent global and regional organizations, important results are achieved outside their context. Many activities are undertaken in close collaboration with international cooperative organizations. For example, ICA, through its regional offices, organizes conferences of ministers responsible for cooperative development.

IX. CONCLUSIONS

46. In the light of the review of the achievements of the cooperative sector, its response to recent societal processes and its potential for contributing further to economic and social progress, as well as of the promotional and supportive activities designed to establish a positive environment within which cooperatives may achieve their own goals as well as contribute further to economic and social progress summarized above, the following conclusions have been reached:

(a) Close attention to the potential contribution of cooperatives to national economic and social progress appears to be a promising option for Governments to examine, especially where confronted by very severe problems of structural transformation. They may consider especially noteworthy the fact that the economies of all of the advanced market-oriented economies, which are fully acknowledged to be "mixed" in the sense of there existing a substantial partnership between public and private sectors, are "mixed" also in that cooperatives constitute a significant and successful element of the private sector, and hence of national economies. Cooperative business enterprises play a key role in the private sector, especially in agriculture, where they are often dominant. Moreover, in spite of some failures, whose incidence may in fact not be greater than that in other parts of the private sector, cooperatives in these economies, including those with the most competitive business environments, have been able to respond to new and tough economic conditions. The willingness of private enterprises, including major international corporations, to enter into partnerships with them, is clear evidence of the entrepreneurial capacity and managerial efficiency of which cooperatives are capable. These facts argue forcibly for giving greater prominence to cooperatives as a means to contribute to economic restructuring and social progress in the countries of Central and Eastern Europe and the Commonwealth of Independent States, as well as in many countries in Africa, Asia and Latin America. They also imply that full attention should be given to facilitating the further contribution of cooperatives to international integration among the advanced market economies;

(b) Organizations of farmers, including agricultural cooperators, are key institutions in the revitalization of agriculture and the development of rural areas, and hence to economic revival particularly in Africa, Asia and Latin America. Their role, in terms both of faithfully representing farmers' views, and of providing practical services to their members, appears often to have been given less attention by Governments and international agencies than they deserve, and consequently their potential has not been fully utilized. Seeking farmers' views through consultations with farmers' representative organizations, and encouraging and supporting the latter in their efforts to provide services to their members are prerequisites for sustainable rural development. The current absence of consultation of farmers, including cooperators, by researchers, is a serious constraint upon accumulation of relevant knowledge and successful diffusion of innovation;

(c) Agricultural supply and marketing cooperatives are responsible for major market shares of agricultural production in advanced market economies and have shown considerable success in adjusting to intense competition and far-reaching restructuring. In Africa, Asia and Latin America such cooperatives offer a principal means of facilitating the full market participation of small farmers. Reorganized and modernized cooperatives in Central and Eastern Europe and in the countries of the Commonwealth of Independent States can play a vital role in the future efficiency of agriculture, often vital to successful economic transformation;

(d) Savings and credit cooperatives ("credit unions") have the most dynamic growth of all cooperatives: world-wide membership has grown by an annual average of more than 8 per cent since 1985. Savings, loans, reserves, and assets have each more than doubled, with annual growth rates of over 20 per cent during the same period. Since 1972, when WOCCU first started gathering credit union statistics, world-wide credit union savings and loans have both grown at annual rates of 15 per cent, while assets have grown by 16 per cent annually. They have a strong potential for mobilizing local savings and providing credit to members, particularly important in apparently capital-scarce conditions, thereby encouraging thrift and entrepreneurial activity and hence stimulating local multipliers. They appear to be capable of making a significant contribution to the solution of financial problems facing the countries now engaged in transformation from centrally planned to market-determined societal management. Notwithstanding the very valuable contributions of certain of its agencies to supporting their expansion, it appears that there remains considerable scope for further United Nations support for this category of cooperatives, in close collaboration with WOCCU;

(e) The economic importance of cooperatives appears not to have been reflected sufficiently in the attention devoted to them by the international community. The International Development Strategy for the Fourth United Nations Development Decade does not mention cooperatives. At the international level, there exists an insufficiently developed substantive and institutional strategic framework for the effective promotion and support of both the cooperative movement itself and of Governments in their own task of developing a more effective partnership with cooperatives. The components of the United Nations Secretariat engaged in strategic economic planning for and management appear not to have taken into consideration sufficiently the economic significance of cooperatives. It would appear that more systematic and coordinated attention by appropriate bodies and organs might serve to ensure that the potential of cooperatives to contribute to economic and social progress is more fully taken into account in the formulation of international economic strategies and in the undertaking of comprehensive programmes of international assistance, particularly in the light of General Assembly resolution 46/166 on entrepreneurship;

(f) Given that the primary purpose of a cooperative is to serve as a means to achieve the economic goals of its members, it is not possible for most cooperatives, particularly in current difficult economic circumstances,

to assume such additional responsibilities as provision of social programmes, unless these are decided upon by members in order to meet their own needs. Nevertheless, respect for this basic condition does not detract from recognition that cooperatives, by their very existence, contribute to the achievement of broad goals of social progress. They offer chances of economic advancement to disadvantaged sections of society. New types of cooperative help meet members' needs for social services, such as child care. Their contribution to more effective citizen participation is significant: cooperatives in most countries are in fact "schools for democracy". With their hundreds of millions of members, to which the families of members must be added, they constitute a significant means of ensuring social stability throughout the world. Consequently, it appears important that Governments give full attention to the contributions that many types of cooperatives are able to make to achievement of social policy goals, particularly at a time when it is increasingly considered to be appropriate for the public sector to transfer responsibility to individual citizens, particularly when organized for the purposes of self-help;

(g) Most categories of cooperatives, but particularly agricultural and consumer cooperatives, are able to make significant contributions, and often more effectively than other types of enterprise given their member controlled character, to ecologically rational and sustainable development. Consequently, in following up the recommendations of the United Nations Conference on Environment and Development, Governments and all relevant components of the United Nations system might find it beneficial to promote the full realization of this potential. In this regard their attention might be drawn to the conclusions reached at the meeting organized by IFAP at Reykjavik in 1991 on the factors relevant to the contribution of farmers, including cooperators, to sustainable development: namely that while enterprises are willing to adjust their activities they can only do so in the context of a general transformation of national and global economies;

(h) It would appear appropriate that Governments, supported by all relevant parts of the international community, give renewed attention to the mutual benefits of more effective involvement of women in cooperatives. In this regard, it might be helpful to take into consideration the prototype guidelines adopted by the Interregional Consultative Meeting on Women in Cooperatives held at Plovdiv, Bulgaria, in June 1988, and organized jointly by the Bulgarian Academy of Sciences and INSTRAW;

(i) Recommendation No. 127 concerning the role of cooperatives in the economic and social development of developing countries, adopted by the General Conference of ILO in 1966, remains the single most comprehensive statement made within the United Nations system concerning the nature and objectives of governmental policy in respect to the cooperative sector and guidelines on methods of implementation of that policy;

(j) Much progress has been made by Governments in Africa, Asia and Latin America to formulate comprehensive policies in respect to cooperatives, to

ensure an effective allocation of public resources to promote and support cooperatives, to harmonize and coordinate the activities of governmental agencies involved, and to establish institutional arrangements for ensuring the effective participation of representatives of cooperatives in policy formulation and implementation. Considerable support has been given to Governments by both international cooperative organizations and the intergovernmental community, notably ILO and FAO. Nevertheless, there appears to remain much scope for further activity;

(k) The countries of Central and Eastern Europe and of the Commonwealth of Independent States, as well as those in Africa, Asia and Latin America also engaged in transformation from centrally-planned to market-oriented strategies for societal management, share a serious problem: the past establishment of types of cooperatives, created from above down, without the genuine participation of members. For this reason, new Governments and potential members have tended to reject cooperative enterprise. However, the experience of market-oriented countries shows that strong cooperatives in certain sectors of the economy are an essential feature of the social structure. Consequently, establishing vigorous true cooperatives counts among the principal means whereby economic and social problems might be resolved. In these countries there exists a significant gap between the concepts of cooperation held by the majority of citizens - usually concepts which are entrepreneurially dynamic but at the same time embedded in wider social and cultural components of indigenous culture - and the perceptions of cooperation which have characterized the State sector. Consequently, it would appear important for their long-term development that these societies find ways to encourage a new and spontaneous development of cooperatives from the indigenous base of society. It would appear useful that an international programme of research be undertaken to promote and support such efforts;

(l) Particularly in the context of privatization of State-owned property, and also in the context of the formation of cooperatives in conditions of poverty, illiteracy and lack of managerial experience of cooperators, questions of the rights of individuals to association, and of the legal status of cooperatives as enterprises, particularly in regard to property ownership, appear to be not yet adequately resolved, impeding the effectiveness of cooperatives and the realization of their potential contribution to human progress;

(m) Political recognition of the importance of cooperatives in economic and social development is already very substantial: the cooperative form of private enterprise has been considered of such importance in national affairs that specific mention is made of it in many national constitutions, including those of Brazil, Colombia, Ecuador, Egypt, France, Greece, Honduras, Italy, Peru and Philippines. In an increasing number of other countries cooperatives are considered to be of major societal significance. Nevertheless, there is still an insufficient awareness of the very substantial economic and social weight of cooperatives throughout the world, and of the degree of its success in adjusting to varied and often hostile societal environments, thereby

contributing to the achievement of the personal objectives of millions of individuals, their families and their communities, as well as to national economic and social progress. Consequently, it may be appropriate to arrange that existing United Nations public information channels bring to the attention of the public, as well as to policy makers, recommendation No. 127 concerning the role of cooperatives in the economic and social development of developing countries, adopted by the General Conference of ILO in June 1966, as well as the Cooperative Principles approved by the International Cooperative Alliance at its twenty-third Congress held at Vienna in 1966 and the Credit Union Operating Principles approved by the Membership Council of WOCCU in 1984, as well as other relevant material;

(n) A major effort is required to assist national cooperative organizations to improve their database and to further develop an international information and research network. National data collection systems are not yet designed to collect data on cooperatives. At the same time, some countries with well-developed data collection systems are willing to participate in an international programme of technical assistance to improve the situation, which appears to require greater priority;

(o) COPAC is the major existing forum which facilitates regular interaction between international organizations representative of the cooperative movement and intergovernmental organizations. It is faced by tasks of increasing scope and relevance to enabling the cooperative movement to realize its enormous potential for contributing to economic and social progress. However, the resources now available to its secretariat appear to be inadequate for its effective operation, thereby limiting its capability to meet the mandate given it by the Economic and Social Council in its resolution 1668 (LII). Moreover, membership does not yet include all international organizations engaged in the promotion and advancement of cooperatives;

(p) Notwithstanding current difficulties, it is noteworthy that there is a highly successful degree of collaboration between national, regional and global cooperative organizations, donor Governments, and both regional and global intergovernmental organizations, including notably the relevant specialized agencies within the United Nations system, in assisting cooperatives and in supporting governmental efforts to establish the most favourable possible environment for their development.

Notes

1/ The questionnaire had been prepared partly on the basis of suggestions made by members of COPAC at its 45th meeting, in February 1991, and their comments on a first draft. In January 1991, the Secretary-General had also asked all concerned components of the United Nations system to submit suggestions for topics as well as actual questions for inclusion in the questionnaire. A total of eight specialized agencies and entities within the United Nations Secretariat did so: UNDP, ECLAC, UNCHS, ILO, FAO, World Bank/IFC, IFAD and UNIDO.

2/ Respondents were from the following countries: Bahrain, Burkina Faso, Cape Verde, Colombia (4), Cyprus, Ecuador (2), Ethiopia, Ghana, Greece, Guatemala, Honduras, Malaysia, Mozambique, Nepal, New Zealand, Pakistan (2), Peru, Singapore, Syrian Arab Republic, Tuvalu, United States of America, Uruguay and Venezuela.

3/ Brazil: Organization of Brazilian Cooperatives; Bulgaria: Central Cooperative Union; Colombia: Federación Nacional de Cafeteros; Panama: Instituto Panameno Autonomo Cooperativo and Confederacion Latinoamericana de Cooperativas Ahorro y Crédito; Poland: Agricultural and Technological Academy, Olsztyn and Cooperative Research Institute, Institute of Agriculture and Food Economics, Warsaw; and Sweden: Cooperative Institute.

4/ Côte d'Ivoire: Chambre d'agriculture; Denmark: Federation of Danish Cooperatives; Egypt: Central Agricultural Cooperative Union; Finland: Institute for Cooperative Studies, University of Helsinki; France: Confédération française de la coopération agricole; Netherlands: International Secretariat of the "Three Central Farmers' Organizations"; and Switzerland: Union Suisse des Paysans.

5/ Norway: Central Office of Agricultural Cooperatives and Norwegian Cooperative Union and Wholesale Society; Philippines: Cooperative Foundation Philippines, and Federation of Free Farmers Cooperatives; Russian Federation: Central Union of Consumer Societies; Turkey: Turkish Cooperative Association; and United Kingdom: Cooperative Union.

6/ In paragraph 5 of its resolution 1668 (LII) of 1 June 1972, the Economic and Social Council endorsed the suggestions made in a report submitted to it by the Secretary-General (E/5093 and Corr.1) that the membership of the then Joint Committee for the Promotion of Agricultural Cooperatives, established in 1971, be broadened to incorporate the United Nations, including UNIDO and UNCTAD, and other interested bodies, such as UNESCO, to promote further, in close cooperation with ICA, concerted action for the development of agricultural and other cooperatives in developing countries, and that the Committee's terms of reference be revised accordingly.

7/ The Economic and Social Council has called for cooperation between the United Nations system and ICA in its resolutions 1413 (XLVI) of 6 June 1969, 1491 (XLVIII) of 26 May 1970 and 1668 (LII) of 1 June 1972. The latter resolution has been recalled in the preambular paragraphs of most subsequent Council and General Assembly resolutions on cooperatives.

8/ In addition to the sources of information identified in respect to Bulgaria and Poland included in note 5, and the Russian Federation included in note 7, the Secretary-General was able to obtain up-to-date information from the discussions held at two open forums organized by COPAC and held at Vienna in September 1991 and at Paris in March 1992. Delegations representative of cooperative movements in Belarus, Bulgaria, Czechoslovakia, Hungary, Poland,

Notes (continued)

Romania and the then Union of Soviet Socialist Republics reviewed current problems and progress. Regional and global international cooperative organizations, regional intergovernmental organizations and the ILO and FAO provided details of their current programmes of support.

9/ In January 1992, the Secretary-General asked all concerned components of the United Nations system to submit their current views and updated information for use by him in preparation of the present report. By the end of March 1992, the following had responded: UNCHS, ESCAP, UNDP, INSTRAW, ILO, UNESCO, FAO, WHO, UNIDO and IFAD. In the preparation of this chapter, the Secretary-General's task was greatly facilitated by the kind provision to him by its author, Mr. J. von Muralt, Director of the Enterprise and Cooperative Development Department of ILO, of the text of an article by him on "The United Nations System and Cooperatives", shortly to be published in the International Handbook of Cooperative Organizations (Vandenhoeck and Ruprecht Verlag, Gottingen, Germany).

10/ In paragraph 3 of article 12, the Constitution states: "The International Labour Organisation may make suitable arrangements for such consultation as it may think desirable with recognized non-governmental international organizations, including international organizations of employers, workers, agriculturists and cooperators."